

House Bill 638

By: Representatives Channell of the 77th, Shaw of the 143rd, Parrish of the 102nd, Purcell of the 122nd, Greene of the 134th, and others

A BILL TO BE ENTITLED
AN ACT

1 To amend Chapter 18 of Title 45 of the Official Code of Georgia Annotated, relating to
2 employees' insurance and benefits plans, so as to include employees of public or nonprofit
3 critical access hospitals in certain state benefits plans; to provide for related matters; to
4 provide for an effective date; to repeal conflicting laws; and for other purposes.

5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

6 style="text-align:center">**SECTION 1.**

7 Chapter 18 of Title 45 of the Official Code of Georgia Annotated, relating to employees'
8 insurance and benefits plans, is amended by striking Code Section 45-18-32, relating to
9 administration of plans and participation by employees of county boards of health, school
10 systems, and other groups, and inserting in its place the following:

11 "45-18-32.

12 The State Personnel Board shall administer any deferred compensation plan provided for
13 the employees of the state. Employees of the county boards of health receiving financial
14 assistance from the Department of Human Resources may, with the approval of the State
15 Personnel Board and the approval of such organizations, participate in the state plan.
16 Employees of county and independent school systems may, with the approval of the State
17 Personnel Board and the approval of such systems, participate in the state plan. Employees
18 of the Lake Allatoona Preservation Authority, the Georgia Federal-State Shipping Point
19 Inspection Service, and the Georgia Firefighters' Pension Fund may, with the approval of
20 the State Personnel Board and the approval of such organizations, participate in the state
21 plan. Employees of any public or nonprofit critical access hospital may, with the approval
22 of the State Personnel Board and the approval of such hospital, participate in the state plan.

23 The State Personnel Board shall investigate and approve a deferred compensation plan
24 which gives the employees of the state income tax benefits in connection with plans
25 authorized by the United States Internal Revenue Code, so that compensation deferred
26 under such plan shall not be included for purposes of computation of any federal income

1 tax withheld on behalf of any such employee or payable by such employee before any
 2 deferred payment date. All contributions to the deferred compensation plan shall also be
 3 exempt from state withholding tax as long as such contributions are not includable in gross
 4 income for federal income tax purposes. The governing body of a city, county, or other
 5 political subdivision may appoint an administrator for all deferred compensation plans,
 6 whose duties shall include the administration of the plan and the investigation and approval
 7 of the plan or plans. All such plans shall provide tax deferral benefits for the respective
 8 employees in a manner similar to that of the plan for state employees."

9 SECTION 2.

10 Said chapter is further amended by striking paragraph (3) of Code Section 45-18-50, relating
 11 to definitions, and inserting in its place the following:

12 "(3) 'Employee' means a member of the General Assembly or a person who works full
 13 time for the state and receives his or her compensation in a direct payment from a
 14 department, agency, authority, or institution of state government; a county department
 15 of family and children services or a county department of health; the Federal-State
 16 Shipping Point Inspection Service; the Georgia Firefighters' Pension Fund; any person
 17 who works full or part-time for any public or nonprofit critical access hospital; a
 18 member of any local board of education; and public ~~schoolteachers~~ school teachers and
 19 public school employees as defined in Code Sections 20-2-880 and 20-2-910, exclusive
 20 of the members, employees, and officials of the Board of Regents of the University
 21 System of Georgia."

22 SECTION 3.

23 Said chapter is further amended by striking subsection (a) of Code Section 45-18-52, relating
 24 to establishment of flexible employee benefit plans, and inserting in its place the following:

25 "(a) The council is authorized to establish a flexible employee benefit plan for employees
 26 of the state, ~~and public schoolteachers~~ school teachers, ~~and public school employees,~~ and
 27 employees of any public or nonprofit critical access hospital and to promulgate rules and
 28 regulations for its administration, subject to the limitations contained in this article and in
 29 Articles 1 and 2 of this chapter. The flexible employee benefit plan may provide for
 30 deductions or salary reductions for group life insurance, group property and casualty
 31 insurance, disability insurance, supplemental health and accident insurance, health care or
 32 dependent care spending accounts as authorized under Section 125 of the United States
 33 Internal Revenue Code of 1986, other types of employee welfare benefits, or for salary
 34 reductions for health premiums under Article 1 of this chapter and Code Sections 20-2-880
 35 and 20-2-910. The council may establish rating categories for disability insurance based

1 on eligibility for coverage by the disability program of the Social Security Administration.
2 At the council's discretion, any of the insurance or other type of employee welfare benefits
3 authorized by this Code section may be operated as a self-insured plan in whole or in part
4 or by contract with any company authorized to transact such business in this state. Except
5 as provided in Code Section 45-18-30, Code Sections 20-2-880 and 20-2-910, and as
6 implemented prior to January 1, 1986, the council is authorized to establish the plan or
7 plans in connection with plans authorized by the United States Internal Revenue Code for
8 the purpose of income tax advantage."

9 **SECTION 4.**

10 This Act shall become effective upon its approval by the Governor or upon its becoming law
11 without such approval.

12 **SECTION 5.**

13 All laws and parts of laws in conflict with this Act are repealed.